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# Agricultural Situation

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Agricultural Marketing Service  
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## SEAWAY WILL CUT GRAIN EXPORTING COSTS



Midwestern farmers have a big stake in the St. Lawrence Seaway. Soon oceangoing vessels that can carry up to 560,000 bushels of grain will be able to slip down the Seaway and on to foreign ports. When they do, transportation charges for grain exports will be lower and foreign markets will be dollars closer to the heart of our grain belt.

Ships will be able to use what is essentially a new ocean shipping route with minimum 27-foot channel depths

and large locks that can handle four-fifths of the world's fleet. Previously shallow channels and small locks limited vessels to about 90,000 bushels of grain.

New grain elevators are already going up at the lake ports, and older ones are being expanded (see page 11 for a look at Chicago's new harbor development). The grain industry is promoting deeper harbors in anticipation of the benefits from the Seaway.

## SEAWAY—Continued

USDA marketing researchers who have studied the economics of the Seaway indicate that the industry's hopes for less expensive transportation are well founded.

Researchers estimate that costs of moving wheat in Liberty vessels via the Great Lakes-Seaway route from Duluth to Rotterdam or Casablanca total 21 cents a bushel.

The lowest prior cost, by lake boat to Buffalo, rail to Baltimore and Liberty vessel beyond totaled about 33 cents a bushel. The cost difference favoring the Seaway is 12 cents a bushel. To Santos, Brazil, the cost difference is 10 cents a bushel. Reduced costs are indicated for wheat transportation from other ports on the Great Lakes to many foreign markets.

Producers of other grains will also benefit in their overseas shipments. Just how much they save will depend upon how close the shipping point is to the waterway. The closer the production area, the greater the potential savings.

### States

The Seaway will have some effect on lowering overseas transportation charges for grain in parts or all of the following States: Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, New York, North Dakota, Ohio, Pennsylvania, South Dakota, Wisconsin, and Wyoming.

These States account for over 75 percent of the wheat, corn, barley, oats, rye, sorghum grain, soybeans, and flaxseed produced in the United States.

A large amount of grain from these States is now exported through Atlantic

and Gulf coast ports. Much of it may be diverted to the Seaway route. Just how much will move on the Seaway will depend in part to what extent overland and inland waterway carriers reduce charges to meet Seaway competition.

Western Europe, the Mediterranean, Africa, the Middle East, the Caribbean, and the east coast of South America are so located that they can be served economically by the Seaway route.

From 1945 through 1954, the average annual grain movement to these areas was about 395 million bushels—about 69 percent of our total grain exports.

### 1959 Movement

Earlier it was thought that about 42 million bushels of grain from Canada and the United States would move via the Seaway in 1959. This estimate is proving conservative. By March 1, nearly 25 million bushels of grain had been booked for overseas shipment in April, May, and June. Many more bushels are expected to move down the Seaway before the end of the year.

However, the researchers indicate that it is not now economical to use the Seaway to move grain to Atlantic coast ports for domestic use.

During the next few years most grain tonnage is expected to move in Liberty type vessels that can carry about 317,000 bushels on the Seaway. As these World War II vintage ships are scrapped, modern, speedier combination lake-ocean bulk carriers of 560,000 bushels or more capacity may replace them. This will further increase transportation economy via the Seaway.

Many bulk lake boats will move grain to lower St. Lawrence River ports for

*(continued on the next page)*

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## SEAWAY—Continued

transshipment in oceangoing vessels to foreign ports. Researchers indicate this may not be as economical as direct movement in ocean vessels from ports on the lakes to overseas destinations.

The Seaway does, however, have its limitations. When winter comes the lakes and Seaway freeze for about 4 months. One way the trade is seeking to get around this problem is to build grain storage on the ice-free, lower St. Lawrence River from which grain can be exported year-round. Ways to increase the navigation season are being studied.

The 27-mile Welland Canal also slows traffic to and from the upper lakes. This canal connects Lake Ontario with Lake Erie by carrying ships around Niagara Falls. It includes five single and three double locks.

The scheduling of vessel passages and the use of bigger ships may help ease this traffic problem. Twinning of the single locks, although not now planned, would greatly increase the canal's traffic capacity.

## Other Improvements

Before the Seaway can be put to full utilization, port harbors and channels connecting the Great Lakes will have to be deepened. The Corps of Engineers, U.S. Army, is proceeding with channel deepening between the Great Lakes, and has studies underway to determine the economic advisability of deepening port harbors.

The Seaway is one of the major developments in American transportation in the present century, opening the ports of the Middle West to the ocean-going fleets of the world.

It represents an important change in the geography of the earth that may have profound and far-reaching effects not only upon the farmers of the Midwest, but upon the industrial pattern of the country, that will extend to other countries of the world.

Robert C. Haldeman  
*Marketing Research Division, AMS*



## Check Your Mailbox . . .

Before too long, you might find a livestock or acreage survey questionnaire in your mailbox. If you do, please take a minute to answer and return it.

Some of the Livestock Survey questionnaires will be placed in mailboxes by rural mail carriers and should be returned to them. Others will be mailed direct from the State agricultural statistician with a return envelope. The June Acreage Survey will be mailed directly.

Questionnaires are sent to only a sample of farmers or ranchers. It would be helpful if you would answer and return any you may receive. A good cross-section sample is the cornerstone of a good estimate.

Replies to the livestock questionnaire will help estimate the spring and fall pig crops, as well as the 1959 lamb and wool crops. The inventory of milk cows and chickens is used for other reports.

The June Acreage Survey provides the basis for the Department's report on acreage of the various crops planted and to be harvested. Released early in July, together with indicated production, this basic acreage information is used each month of the growing season.

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## Farmer's Share

The farmer's share of the consumer's food dollar was 39 percent in February, the same as in January. In February 1958 the farmer's share was 41 percent. Figures for March will be available next month.

# HATCHERIES HAVE EXPANDED TO MEET BROILER PRODUCER NEEDS

Marked changes have taken place in the hatchery industry since 1943. Here's what has happened:

1. The number of small hatcheries—those under 100,000 egg capacity—has and is rapidly decreasing.

2. The capacity and output of large hatcheries—those over 100,000 egg capacity—are on the increase.

The rapid growth of the broiler industry has brought about this increase in hatchery capacity and output.

## Number of Hatcheries

The number of chick hatcheries has decreased sharply from around 10,000 in 1943 to 4,257 on January 1, 1959—a decrease of 58 percent.

All of this decrease has occurred in small hatcheries. In 1943 there were 9,094 of these smaller hatcheries operating. On January 1, there were only 2,803 operating.

In contrast to the sharp decrease in the number of small hatcheries, the number of hatcheries with a capacity of 100,000 eggs and over has increased from 1,018 in 1943 to 1,454 on January 1, 1959.

Total incubator capacity in the United States increased from 505 million eggs in 1943 to 530 million eggs at the end of 1958. The total capacity of hatcheries with a capacity under 100,000 eggs decreased from 260 million eggs in 1943 to 134 million eggs at the end of 1958. This loss in capacity in the smaller hatcheries was more than offset by the increase in the capacity of large hatcheries.

In 1958 hatcheries produced 2.4 billion chicks, compared with 1.6 billion in 1943. Fewer chicks are being produced for egg-laying purposes than were produced during the peak war years. The increase in hatchery capacity has been due primarily to the rapid growth in the production of commercial broilers.

The general trend in chick production since 1943 has been to hatch

chicks closer "to home"—near the production areas. This has meant a decline in chick production in the east and west North Central States. Until 1945 hatcheries in those States produced approximately one-half of all the chicks produced annually in the United States. The number of chicks produced in the east and west North Central States in 1958 was about 321 million less than in 1943.

In contrast, there were 587 million more chicks produced in the South Atlantic States in 1958 than in 1943. In the South Central States, 410 million more chicks were produced in 1958 than in 1943. These regions account for most of the commercial broilers produced in the United States. In several leading broiler producing States, the increases have been phenomenal.

Georgia, the leading commercial broiler State, produced 325 million chicks in 1958 compared with only 28 million in 1943. In 1958, North Carolina produced 145 million chicks; in 1943, 39 million. In 1958, Arkansas produced 134 million chicks; in 1943, 16 million. In 1958, Alabama produced 129 million chicks; in 1943, 11 million.

Robert F. Moore  
*Agricultural Estimates Division, AMS*

## Whole Milk Sales Set Record in 1958

Sales of whole milk to plants in 1958 set a record, even though production declined during the year. Dairy farmers have been increasing their marketings of whole milk for a quarter century. During the same period sales of farm-separated cream decreased steadily.

Marketings of whole milk to plants by farmers increased from 26 billion pounds in 1924 to last year's record 99.4 million pounds. Sales of farm-separated cream declined from the peak of 36.5 billion pounds in 1933 to 11 billion pounds in 1958.



# OUTLOOK

## Cattle

Cattle numbers are increasing but marketings will stay at about last year's level. Fed cattle prices probably will hold fairly steady this spring. Marketings will be heavy, but total cattle slaughter probably will continue below last year. Strong demand for replacement cattle is expected to hold cow, and stocker and feeder prices near current levels this spring.

## Hogs

Hog marketings are up sharply this year. Hog slaughter, though declining seasonally this spring, will stay well above last year.

## Dairy

Farmers are expected to produce slightly more milk in 1959 than last year and sell it at about the same average prices. Price support continues at 1958 levels. Cash receipts from dairy-  
ing this year will rise a little above 1958 and approximate the 1957 record.

## Eggs

Hatchings of chicks for laying flock replacement are running above last year despite sharply lower egg prices. March hatchings were 6 percent above a year earlier while the number of eggs in incubators April 1 was about same. The flock is currently 3 percent larger than last year and contains more young layers.

## Soybeans

Carryover next October 1 is likely to total about 75 million bushels, 55 mil-

lion above a year earlier, and 13 percent of the record 1958 crop. Crushings this season will total about 400 million bushels, up 46 million from last year. Exports probably will rise 5 million to about 90 million. But the increase in disappearance is not enough to offset the big gain in 1958 crop.

## Feed

Prices of feed grains have strengthened in recent weeks, but are a little below a year earlier. High protein feed prices also have risen.

## Wheat

Another increase in carryover is likely in the coming 1959-60 marketing year. The April estimate of 966 million bushels of winter wheat plus an allowance for the spring crop indicates total production of around 1,200 million bushels. Such a crop would exceed probable disappearance and raise carryover July 1, 1960, to over 1,400 million bushels. Stocks next July 1 are expected to total about 1,285 million.

## Cotton

Mill consumption is likely to continue above last season through 1958-59. The estimated total of 8½ million bales would be up half a million. The increase is being encouraged by the highest mill margins in 2 years, low mill and trade inventories, and rising unfilled orders.

Cotton exports are still running at half last year's rate—the year's total is not likely to exceed 3 million bales. The 1957-58 figure was 5.7 million.



# CORN ACREAGE WILL DO AN ABOUT-FACE THIS YEAR

Corn acreage in this country has trended generally downward since the early thirties. But it will increase sharply this year if farmers carry out the plans they reported to USDA in March.

Farmers plan to put 9 million acres more into corn this year than in 1958. This would bring the U.S. corn acreage close to 84 million, near the level of a decade ago.

## North Central Region

Nearly all of the prospective increase is in the North Central region. Farmers plan to plant over 62 million acres of corn in that region, the most since 1936. The ending of acreage allotment and acreage reserve programs appears to be largely responsible for the increase. Farmers apparently are also planning to use some of the acreage planted to oats, soybeans, sorghums, and hay in 1958 for corn in 1959.

Corn acreage in the North Central region has gone up and down over the last 30 years. During the 1930's it swung between 71 million acres in 1932 and 52 million in 1939 as acreage allotment programs, drought, and depression influenced plantings. In 1941 it dropped below 50 million acres, the smallest in the 34 years planted acreage has been reported.

During the war, acreage in the region climbed sharply then dropped back during the early 1950's. During 1956, 1957, and 1958, when the Acreage Reserve Program of the Soil Bank was in effect, corn acreage in the region declined further to the lowest level since 1941.

Farmers in each of the East North Central States are planning larger acreages for 1959. In Ohio, Indiana, Illinois, and Michigan, farmers are planning to increase corn acreages 14 to 18 percent over 1958. In Wisconsin, a 5 percent increase is planned. Prospective acreages in these States are well above the 10-year average.

In the Western Corn Belt States greatest percentage increases are in prospect for Missouri and Nebraska where farmers plan to up their plantings a fourth or more. Iowa farmers are planning to plant over 12 million acres, nearly a fifth more than in 1958. In Minnesota and Kansas farmers plan to up their acreage about a seventh.

Corn acreage in southern States has trended down for a quarter of a century. Farmers there plan to increase acreage 3 percent this year, but the 1959 total will be only half the peak level of the 1932-36 period.

Each of the eight States in the South Central region has reduced corn acreage substantially during the past 20 years. Oklahoma and Arkansas will plant less than a fifth the acreage this year that they did in the late 1930's. Farmers in Texas and Louisiana have cut their corn acreage to about a third of that of 20 years ago and in Mississippi to less than half. In Alabama, Tennessee, and Kentucky acreages were reduced around 35 to 40 percent.

## South Atlantic States

Acreage reductions also have occurred in the South Atlantic States, but in most of them the declines have been more moderate. Sorghum acreage has increased in the South, but only in Texas have sorghums replaced more than a fraction of the acreage taken out of corn.

The long-term downtrend in corn acreage in southern States is due to a number of factors. The trend toward soil conservation has brought more land into small grains, soybeans, hay crops, and winter pasture. The declining number of horses and mules has cut the need for grain feed for work stock. Rising labor costs and declining manpower in some areas have encouraged production of crops requiring less labor than corn.

Malcolm Clough  
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# PUBLIC SCHOOLS HAVE BECOME AN IMPORTANT MARKET FOR FARMERS

Remember your school lunch back in the good old days? Chances are your mother packed it. Today, millions of our school children are eating lunches that are prepared right in school.

Our elementary schools and high schools have become an important market for the food from our farms. USDA marketing researchers—looking for ways to expand markets for farm products—have started studying school feeding.

They found that public schools spent \$505 million on food during the 1957-58 school year. Another \$92 million worth of food was donated to the schools by the Federal Government. Nearly all of the foods donated went to schools operating under the National School Lunch Program.

Public schools received \$231 million worth of milk and milk products, excluding butter. These products accounted for almost 39 cents of the school food dollar—each dollar's worth of food, both purchased and donated, delivered to public schools. Milk accounted for a lion's share—32 cents.

Fats and oils, including butter, delivered to schools were valued at \$43 million. These products comprised slightly over 7 cents of the school food dollar. Butter, for the most part donated directly to schools, took up 83 percent of the total value of all fats and oils moving into schools.

Meats used by schools were valued at almost \$108 million. Hamburger accounted for 42 percent of this figure. Meat made up 14 cents of the school

food dollar. In addition, fish and poultry each made up about 2 cents of the food dollar.

Flour and other cereal products accounted for 2.5 cents of the school food dollar. Bakery products accounted for about 8 cents. Bread made up half of that amount.

Fruits and vegetables, including potatoes and sweetpotatoes, made up 17.6 cents of the school food dollar; eggs, 1.7 cents; and sugar and sweets, 1.4 cents. The rest of the school food dollar was made up of beverages, other than milk, and other foods.

About 60,000 of the 106,000 public schools in the United States offered a feeding service, ranging from a complete plate lunch to a la carte service only. Over 80 percent of these schools participated in the National School Lunch Program. These schools had around 21 million students in average daily attendance, two-thirds of the U.S. total.

The program, operated by USDA and State departments of education, provides assistance to schools operating a nonprofit food service for children. Schools that participate in the program receive cash and food donations to help them serve children a well-balanced low-cost lunch.

The market for food in schools will probably continue to grow as enrollments increase and more schools are built with modern cafeterias.

Kenneth E. Anderson  
William S. Hoofnagle  
*Marketing Research Division, AMS*



# PLANTS MANUFACTURING DAIRY PRODUCTS HAVE EXPANDED

One of the most significant changes to take place in the dairy industry during the past two decades has been the tremendous gain in the output of manufactured dairy products despite a drastic reduction in the number of plants.

Creamery butter was the only major product to suffer a setback in annual output—dropping 15 percent from 1937 to 1957. Nevertheless, average production per plant for the 2,062 creameries in the United States in 1957 was almost double that of the 4,660 creameries reporting in 1937.

In 1957, almost two-thirds of U.S. creameries had an annual output of less than one-half million pounds of butter. Only 19 percent of the creameries produced over one million pounds. The average per plant was over 685,000 pounds.

In 1957, there were only 1,194 plants making American cheese or slightly more than one-half the 2,312 plants making this product 20 years earlier. The amazing thing, however, is that the annual output per plant jumped from 214,000 pounds in 1937 to 853,000 pounds in 1957. This quadrupling of the average output per plant resulted in a net gain of 106 percent in the total annual production of American cheese.

American cheese plants varied widely in size. In 1957, 10 percent made less than 100,000 pounds of cheese each, 24 percent made from 250,000 to 500,000 pounds, 20 percent from 500,000 to 750,000, and 36 percent over 750,000 pounds.

## Ice Cream Plants

A study of ice cream plants shows almost as spectacular a shift as occurred in American cheese plants. In 1938, there were 5,003 regular ice cream plants (this excludes only counter-freezers, generally producing for retail from purchased mix). By 1957 the number had fallen to 3,395, a 32-percent drop in that period. Yet, the total output of these plants rose 125 percent

from 1938 to 1957. The average annual production per plant climbing from 54,000 gallons in 1938 to 179,000 gallons in 1957.

Of the regular ice cream plants, 43 percent made less than 25,000 gallons, and only 1 percent made over 2 million gallons.

In 1957, 85 condenseries made 29 percent more evaporated milk than the 145 condenseries reporting this product in 1937. During this 20-year period, the average annual output per plant increased 120 percent or from 13 million pounds up to 29 million pounds.

One-fifth of the 85 condenseries producing canned evaporated whole milk made from 25 to 35 million pounds per plant. Only 7 percent were in the less-than-5-million-pound group and 7 percent made more than 55 million pounds each.

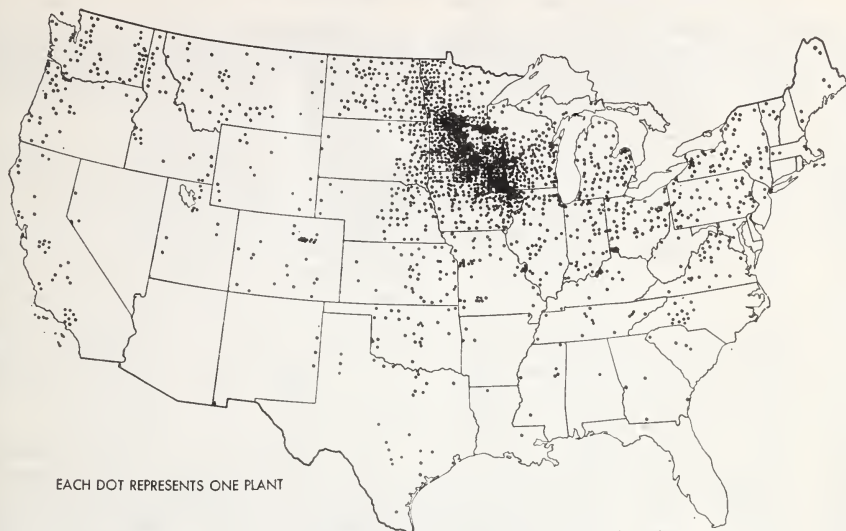
## Plant Location

Over one-half of all plants making butter in 1957 were located in the West North Central region, with slightly more than one-fourth of the total in Minnesota. The heaviest concentration was in the area known as the Upper Mississippi Valley butter-producing region which includes southern Minnesota, northeastern Iowa, and southwestern Wisconsin.

Of the 1,194 plants making American cheese, 60 percent were in Wisconsin. In 1957 two counties in the State each had 50 plants making American cheese and 16 counties had 20 or more. Other less dense concentrations of plants occurred in northeastern Iowa, northern Illinois, northern New York, southwestern Missouri, and eastern Idaho.

Plants making creamed cottage cheese were found in every State. Heaviest concentrations were in the States adjoining the Great Lakes, with 14 percent of the total number located in Ohio, 8 percent in Michigan, 7 percent in Pennsylvania, and 6 percent each in Illinois and Wisconsin.

## PLANTS MAKING BUTTER, 1957



U. S. DEPARTMENT OF AGRICULTURE

NEG. 7051-59 (2) AGRICULTURAL MARKETING SERVICE

The 456 plants making nonfat dry milk for human food were located in 36 States. However, one-half of them were in four States—Wisconsin, New York, Minnesota, and Iowa. Michigan, Ohio, California, and Pennsylvania accounted for an additional 21 percent of the total.

A breakdown of the 3,395 plants making ice cream in 1957 indicated that New York led all other States with 288 plants. Pennsylvania, Ohio, and Michigan each had over 200 plants. Seven other States had over 100 ice cream plants each. They were Wisconsin, Illinois, Iowa, Texas, California, Massachusetts, and Indiana.

### Report

A USDA report (AMS-301) contains more detailed information on plants manufacturing dairy products. You may obtain a free copy by writing the Marketing Information Division, AMS, USDA, Washington 25, D.C.

W. D. Bormuth  
D. B. Jones

*Agricultural Estimates Division, AMS*

## Small Cigars Gain Popularity

A type of smoking that enjoyed great popularity in grandpa's boyhood is apparently gaining in public esteem today. During the last quarter of 1958, smokers bought 130 million small cigars. In the first, second, and third quarters of 1958, only 12 to 15 million of these cigars were sold. Before World War I more than a billion small cigars were sold a year.

The small cigar is neither cigar nor cigarillo—it's cigarette-size. The Internal Revenue Service considers small cigars separately. If their weight is not greater than 3 pounds per thousand, they enjoy a tax rate different from that applying to regular-size cigars and cigarillos.

If output in 1959 is maintained at the rate reached late in 1958 and early in 1959, AMS estimates that about 600 to 900 million small cigars will be manufactured during 1959.



# FLAXSEED SUPPLIES ABUNDANT

The flaxseed crop came back strong in 1958 after being crippled in 1957 by aster yellows disease. The 1958 crop was, in fact, much larger than market outlets—CCC acquired over one-third of it.

Farm prices for the 1958 crop have stayed near the loan level of \$2.78 per bushel since September 1958, varying between \$2.56–\$2.60. A year earlier prices averaged 50 cents higher.

## Supply

The total supply of flaxseed in the 1958–59 marketing year, which began last July 1, is placed at 48 million bushels, about 3 million more than a year earlier. This year's supply includes beginning stocks of nearly 9 million bushels, about 11 million less than last year. The 1958 crop of 39.5 million bushels was nearly 14 million above the unusually small crop of 1957.

Farmers placed 15 million bushels of 1958 crop flaxseed under support. Most of it was acquired by CCC on March 31 when loans and purchase agreements matured.

Crushings of flaxseed during the marketing year probably will total around 27 million bushels including about 4 million by CCC. Exports will reach about 5 million bushels. Based on these estimates and allowing about 3 million bushels for feed and seed use, carryover stocks on July 1, 1959, will be around 13 million bushels, mostly in the hands of CCC.

Crushings of flaxseed over the next few months will be bolstered by CCC toll operations. Processors awarded contracts under competitive bidding will purchase flaxseed from CCC at the support price applicable for the grade at point of delivery. They will sell oil to CCC at the contract prices.

Prices for raw linseed oil in tank cars at Minneapolis declined from 13.7 cents a pound last July to 12.6 cents a pound in January. Prices then moved up a bit but by April they were down to 12.5 cents a pound, 1.5 cents below a year earlier.

Because of heavy supplies, linseed oil prices this spring and summer probably will continue well below last year. This is likely to occur even though demand for drying oils may be a little better than last year.

Linseed oil continues to be the major drying oil used in protective coatings although its use has been declining in recent years. The decline reflects continuing competition from nonagricultural products. Paint, varnish, and lacquer output in 1959 is expected to rise somewhat above the 600 million gallons last year, but fats and oils used may not share in the increase because of the continuing shift to nonfat material.

The outlook for linseed meal prices in the next several months is relatively more favorable than for oil because of continuing strong demand for high protein feeds. Prices for bulk meal at Minneapolis rose sharply from about \$50 a ton last fall to \$76 in January. Then they slipped and in April, were \$73 a ton, about \$19 above April 1958.

Prices this spring and summer will continue to reflect increases in live-stock numbers along with the increased feeding rate of high protein meals. However, CCC toll crushing will increase the supply of linseed meal thereby tending to reduce the price.

## Intentions

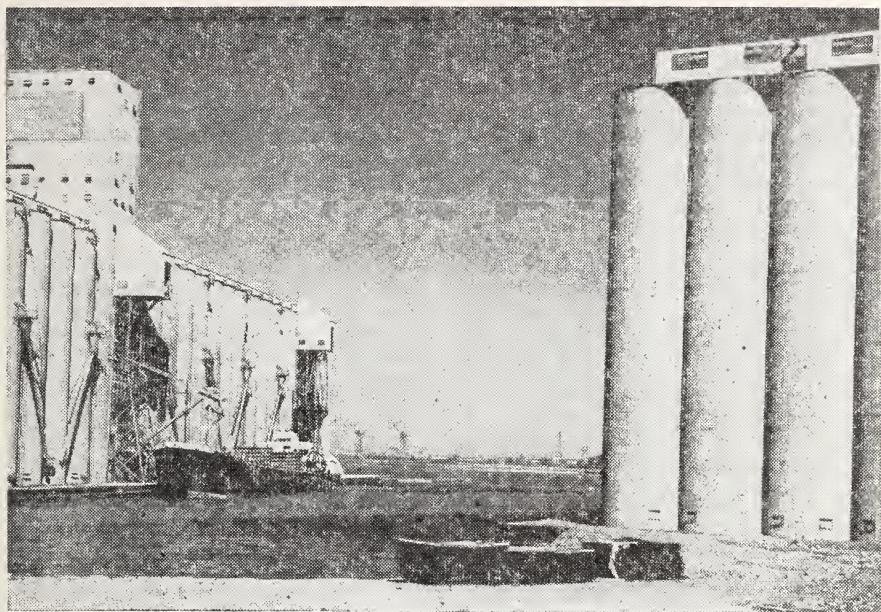
This spring farmers said they planned to plant 3.7 million acres to flaxseed in 1959. This is a decrease of more than 8 percent from last year's planted acreage and the smallest since 1952. The major reason for this decrease is the sharp drop in the support price. Average yields on this acreage would result in a crop about equal to probable domestic requirements.

The 1959 crop of No. 1 flaxseed will be supported at a national average price of \$2.38 a bushel, down 40 cents or 14 percent from the 1958 level.

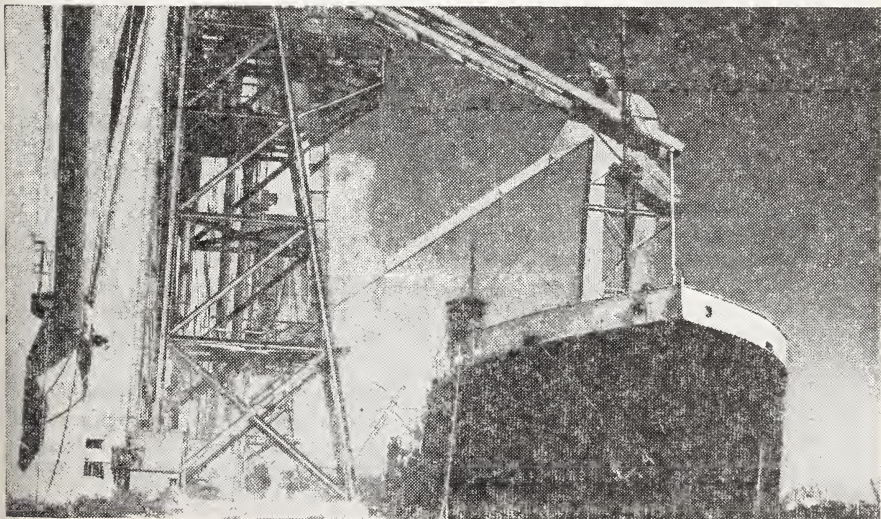
George W. Kromer  
*Agricultural Economics Division, AMS*



## CHICAGO GETS READY FOR THE SEAWAY



These new twin elevators are on Lake Calumet—Chicago's new harbor development. They each can hold 6.5 million bushels of grain. Lake Calumet, located south of the city, connects with Lake Michigan and with the Illinois Waterway, which leads to the Mississippi River. Chicago, like many other cities on the shores of the Great Lakes, plans to become a seaport now that the St. Lawrence Seaway is open. **BELOW**—A "leg" from one of the elevators is placed in the hold of a ship to unload rye. Both elevators can move grain into or out of ships, barges, rail cars, or trucks.





# TEXTILE RECESSION IS COMING TO A CLOSE

A textile recession that started in the United States in 1956 and spread to other parts of the world appears to have run its course. Inventory liquidation has been considerable during the last two years, and prospective restocking all along the production and distribution system during 1959 could bring about a substantial increase in consumption per person.

Domestic mill consumption of cotton during 1958-59 may rise as much as a half million bales above the 8 million bales used last season. The daily rate of consumption during the past 6 months has been higher than a year earlier.

## Per Capita Consumption

Per capita fiber consumption in the United States during 1958 was the lowest in 20 years—33.9 pounds, a decline of 6 percent from 1957. Wool consumption reached its lowest level since 1934. Per capita consumption of cotton, at 22.2 pounds, dropped to the level of 1938, and manmade fibers were below previous years. Rayon and acetate production was 11 percent below 1957, and production of nylon and other non-cellulosic fibers in 1958 fell 5 percent below the year earlier.

Reduced fiber use in 1958 may be attributed to two main causes—a downward trend in per capita consumption of cotton which has been in progress for several decades, and the textile recession, which is a recurring phenomenon of about 2 years duration.

Four main reasons may be given for the long-term downward trend in per capita consumption. The first of these is the change in composition of the population. Today there are more older and younger people in the United States, and these people spend less for clothing and other products of the textile industry than others.

Another reason for the long-term trend is the fact that more people have moved to warmer climates in the South and the West where less clothing and

fewer house furnishings are required. Coupled with this is the greater control of temperature in our homes, offices, and shops. As a result of air-conditioning and improved heating units, buildings are cooler in the summer and warmer in the winter, requiring a smaller wardrobe of year-round clothing and fewer seasonal types of house furnishings.

A third aspect of the trend is the change in style toward informal dress—shorts for men and women, sport shirts for men, and long-wearing bluejeans for children.

The fourth cause of the long-term trend is the shift away from traditional fibers. Manmade fibers or blends have replaced cotton, wool, and silk in some clothing, such household furnishings as rugs, tire cord, and some other industrial products. This means a decline in total textile use, as manmade fibers go farther than cotton and wool.

One pound of nylon, for example, will equal 2 or more pounds of cotton in a manufactured product. In some uses plastics and paper have replaced fibers entirely. We now have such things as plastic drapes in our homes and plastic awnings and drop cloths, while paper bags, toweling, handkerchiefs, and napkins are commonplace.

## Competition

But the textile recession that is part of a short-term cycle is an outgrowth of the highly competitive nature of the industry. Periodically, individual textile mills continue to produce in face of a reduced demand. The cumulative effect is a surplus of stocks of finished goods in relation to new and unfilled orders. Prices weaken, profits decline, and a textile recession is on its way.

When the mills begin to retrench and cut production, the apparent per capita fiber consumption declines sharply. The most recent textile recession which

*(continued on page 14)*



# WHICH WAY WILL COTTON YIELDS GO?

In recent years cotton yields have been on the upswing—they've been helped by weather, better farming, and shifts in acreage. In 1958 yields reached a record high 469 pounds an acre, three times as high as the 1920-29 average and nearly double the 1940-49 average.

## Weather

Weather causes considerable variation in yields from year to year. Persistent wet or dry cycles that last for several years have a marked effect on yields. Nearly half of our cotton acreage is in Texas and Oklahoma where moisture is usually the limiting factor on yields. For the past 2 years, rainfall has been on the wet side of the cycle and yields have been good to excellent in these States. On the other hand, excessive rains in Central Belt States held down the yield per acre.

Better farming has exerted a strong upward force on yields for several years. Mechanization makes possible better seed beds and tillage. In wet seasons farmers can prepare land, plant, cultivate, and harvest within relatively short periods of favorable conditions for field work.

In Arizona, California, and New Mexico, where nearly all of the acreage is grown under irrigation, more effective use is being made of water. The percent of the acreage grown under irrigation in Texas and Oklahoma has increased steadily. The use of supplemental irrigation in humid areas increased rapidly until checked by wet weather 2 years ago.

Chemicals have also played an important part in bringing yields up. Fertilizers, insecticides, herbicides, and defoliants, have all contributed to more cotton per acre. Plant breeders continue to make their contribution with improved varieties.

These factors combined with irrigation have pushed yields up to the two-

bale-an-acre mark in the New Mexico, Arizona, and California area. On many farms in those States yields of three or four bales an acre are common.

In addition to weather and better farming methods, shifts in acreage within and between States have been important in increasing yields per acre in recent years.

As the number of acres harvested dropped from over 24 million acres in 1953 to around 12 million in 1958, there was a material shift of cotton to the better land on the farms. Greater participation in the Soil Bank program in low rather than in high yielding areas brought about two other shifts. They were shifts to a larger percent of acreage in high yielding areas within States, and a larger part of the total acres in the nation to higher yielding States.

Shifts in acreage do affect yields. In Mississippi, for example, yields in Delta counties are generally considerably higher than in the Hill area. A decrease in acreage in Hill counties and an increase in the Delta would raise the State yield per acre. If the shifts were reversed, yields would decrease. Similar changes in acreage between high and low yielding States would have the same effect.

## Alloiment Shifts

In the last few years acreage shifts have increased yields per acre. But the cycle could be broken in 1959. Shifts in acreage that tend to push yields up are opposed by shifts that have a leveling off or downward effect.

There were nearly 5 million acres in the Soil Bank last year. With no Acreage Reserve program this year, the release of most of that acreage will increase the permitted acres per farm in dry-land areas and in areas where boll weevil damage is normally the highest.

*(continued on the next page)*

## COTTON YIELDS—Continued

Opposing the return of the Soil Bank Acreage is the relatively heavy participation in plan B in high yielding areas. Under choice A growers hold their plantings within the initial allotments, and receive a support price of 80 percent of parity. Choice B gives growers up to a 40 percent increase in their allotments with a support price of 65 percent of parity. Growers electing option B increased their initial allotment about 1 million acres. This stepped up the initial U.S. allotment of upland cotton from 16,310,000 acres to 17.3 million acres for 1959.

In California where the 1958 crop averaged 1,049 pounds per acre, 69 percent of the allotment is in plan B. For the entire two-bale-per-acre Western region 55 percent of the allotment is plan B.

In the normally high yielding Central Belt, 22 percent is under plan B. Nineteen percent is under plan B in the southwestern and 6 percent in southeastern cotton growing areas. Yields in these areas are normally less than in central and western areas. About 21 percent of the 1959 allotment for the United States is in the B category.

The effects of plan B and of the return of Soil Bank acres on yields cannot be estimated yet. Weather and farming practices will provide the answer at the end of the season.

It is possible, however, to determine what effect the indicated allotment shifts between States would have on 1958 yields. Preliminary studies show that such shifts would change the 1958 U.S. yield only slightly.

The effect of weather, cultural practices and the acreage shifts will be observed at close range during the 1959 season. Progress reports will be issued by the Crop Reporting Board on the 8th of each month, beginning in July.

John J. Morgan  
*Agricultural Estimates Division, AMS*

## Large Supplies of Canned Vegetables

Farmers' intentions to plant seven major processing crops indicate that acreage will be down 2 percent from last year and 9 percent from the 1948-57 average.

Supplies of canned vegetables for the remainder of the season are the largest on record. Carryovers of most items at the season's end are likely to be large. As a result, processors are expected to plan for a smaller pack than last year.

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## TEXTILE RECESSION—Continued

began in 1956 preceded, and then was accompanied by the general business recession.

In the face of obvious overproduction and weaker prices, retailers and wholesalers cut their purchases further, fearful of getting stuck with large, relatively high-cost inventories. With reduced industrial activity, especially automobile output, industrial fiber purchases declined.

Warehouses and stores had accumulated enough for immediate needs in face of the business recession, and they stayed out of the market until their inventories reached a low point, and the national income began its rise to a new high.

## Business Up

The general business recession bottomed out in the first quarter of 1958. With rising income and production retailers and wholesalers are buying more "soft goods," and more automobiles. They are also planning to buy new homes and make improvements which makes the sales outlook for home furnishings favorable.

Fabric prices are firming and profit margins are rising. Mills are again expanding their output. The firm demand for consumer use and inventory rebuilding is bringing the most recent textile recession to a close.

Doris Rafler  
*Agricultural Economics Division, AMS*

# "Bert" Newell's Letter

Just 7 more months to Christmas. How time does whiz along. Seems as if we'll be running up behind ourselves one of these days. I wonder how many problems we will solve this year for the next generation to straighten out.

I hear quite a few jokes about such things, and I'll admit now and then I gripe about how much simpler it would be if a different solution had been worked out some years back. Sometimes I get to fussing about the way something was done a few years ago, only to discover that I was the one who did it. I have really run up behind myself.

The trouble is, I suppose, we often forget about all the conditions or circumstances that existed at the time an original solution was worked out. A good example is our job here in agricultural estimating. So many things affect the way the statistics are used we forget how things were.

Take a quick look at some of the things that have happened to farming. We have better and higher yielding varieties of seed, more effective pesticides, improved fertilizers and ways of applying them, and better machinery. These and a host of other things have all contributed to a fast-changing pattern of agriculture.

Then, consider what has been happening in transportation, processing, and in lots of other fields from the farm to the retail store. The food store is the place to see the end result of many of these developments. So much of the food is already prepared that it takes practically no time to put a meal on the table. I saw some figures the other day showing that the housewife can prepare the food for her family in about an hour and a half a day. In her mother's time, it took about 5 hours.

All of these things have added many problems to our job of providing basic information needed to keep this vast and intricate system of production marketing moving smoothly. More and more people are depending on the facts provided by the Crop Reporting Board in making the thousands of decisions that must be made. A wrong decision at any point can be extremely costly to everybody, all the way from the producer to the consumer. To arrive at the proper decision and avoid costly mistakes, they are finding it necessary to have more statistics, more frequently, in greater detail, and with a much higher degree of accuracy than ever before. For instance, we used to get out one or two poultry reports a year. But the rapid change that has taken place, in poultry production—particularly broilers—has necessitated an increase to a weekly report. For some of the other crop and livestock items, the schedule has been increased two, three, or four times over what it was just a few years back; and the demand continues to grow.

We get criticisms about the accuracy of our reports. Over a period of years, though, there has been a steady improvement. The record shows that most of the reports are more accurate than ever before. In most cases, the real trouble seems to be this: With all the changes that have taken place in agricultural production and marketing, the precision of estimating that was satisfactory even a few years ago does not meet present needs. When we inquire into some of these complaints, we frequently find that the real need is for more reports or more detailed reports.

We are doing our best to keep ahead of these changes by working out solutions that we hope will stand up for a long time. We realize, though, that this country of ours is never going to stand still. So, we must always be ready to face the future problem of working out solutions for the solutions we work out now.



S. R. Newell  
Chairman, Crop Reporting Board, AMS



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